

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on March 6, 2001 at 10:00 A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Pete Ekegren (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Edward Butcher (R)
Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJ11, HB 281, HB 294,
2/17/2001
Executive Action: HJ 11, HB 294, HB 281

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON HJ 11

Sponsor: REP. JOE TROPILA, HD 47, Great Falls

Proponents: SEN. GERALD PEASE, SD 3, Lodge Grass
REP. NORMA BIXBY, HD 5, Lame Deer
REP. CAROL JUNEAU, HD 85, Browning

Opponents: None

Opening Statement by Sponsor:

REP. JOE TROPILA, HD 47, Great Falls, told the committee that this legislation would expedite the process to recognize the Little Shell Chippewa Indian tribe.

Proponents' Testimony:

SEN. GERALD PEASE, SD 3, stated this would urge congress to recognize the Little Shell Chippewa tribe. He urged passage of this legislation.

REP. NORMA BIXBY, HD 5, said she supported this resolution because it was important to support the efforts for federal recognition of the Little Shell Chippewa tribe.

REP. CAROL JUNEAU, HD 85, told the committee it was very important to the tribes to be federally recognized.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

REP. JOE TROPILA, HD 47, closed HJ 11. He told the committee this would expedite the process to make the tribe recognized.

EXECUTIVE ACTION ON HJ 11

Motion/Vote: SEN. BOHLINGER moved that HJ 11 BE ADOPTED. Motion carried unanimously.

HEARING ON HB 281

Sponsor: REP. MONICA LINDEEN, HD 7, Huntley

Proponents: Tony Herber, Department of Administration
Leroy Schramm, Legal Council for the Board of Regents

Opponents: None

Opening Statement by Sponsor:

REP. MONICA LINDEEN, HD 7, Huntley, stated this bill was an internet privacy act. She told the committee that the main deterrents in the use of e-commerce and e-government were privacy and security concerns by potential customers. **REP. LINDEEN** said this bill addressed electronic government issues regarding privacy issues. This bill would attempt to set the foundation in place of the information privacy policy of the state and local government. Consumer confidence should increase as a result. She added that this bill would require state and local government entities that provide an internet website to post on the website notice of the entity's information practices.

Proponents' Testimony:

Tony Herber, Department of Administration, told the committee this bill was important for confidence and respect for citizens to know their privacy rights are being respected.

Leroy Schramm, Legal Council for the Board of Regents, that his board felt that the regulations in this legislation were reasonable. He added his support of this bill.

Opponents' Testimony: None**Questions from Committee Members and Responses:**

SEN. JIM ELLIOTT asked **REP. LINDEEN** what information the state government collects. She responded that there were many different websites and that it depended on the purpose of each website.

SEN. ELLIOTT asked **Tony Herber** the same question. **Mr. Herber** answered that there was a wide variety of websites. He said this bill would make it clear that if the website was going to be used for other purposes other than what it was specifically intended for, then they would need to provide an announcement stating that, giving the customer an opportunity to refuse participation.

SEN. ELLIOTT asked **Tony Herber** if they used the cookies program. **Mr. Herber** responded that there may be some cookie uses.

SEN. DON HARGROVE asked **REP. LINDEEN** if the new Section 3 replaced the old Section 3. She responded that it did replace the old section because the language had originally been taken from congress, but it had been decided to make the language simpler.

SEN. HARGROVE asked **REP. LINDEEN** if this bill cooperated with the Information Privacy Act. She answered that it did.

Closing by Sponsor:

REP. MONICA LINDEEN, HD 7 closed HB 281 by telling the committee that this bill was important in this age of technology.

HEARING ON HB 294

Sponsor: **REP. DAVE LEWIS, HD 55, Helena**

Proponents: **Mike O'Connor, Montana Public Employees Retirement Association**
Stephen Kologi, Association of Montana Retired Public Employees
David Senn, Teacher Retirement Board
Troy McGee, Chief of Police
Frank Cole, Police Officers Association
Bob Pavlovich, Unified Firefighters Association
Tom Bilodeau, MEA-MFT
Tom Schneider, Montana Public Employees Association
Glen Leavitt, Montana University System
Bill Eiker, Lewis and Clark Retired Education Association
Diane Huber, Montana Retired Teachers and School Personnel Association
Charlotte, Thomas, MRT/SPA
Kathy McGowan, Montana Sheriff and Peace Officers Association
Natalie Fitzpatrick, Montana Retired Teachers and School Personnel Association
Don Walters, Retired Teachers Association
Terry Teichrow, PERS

Opponents: **None**

Opening Statement by Sponsor:

REP. DAVE LEWIS, HD 55, Helena, told the committee this was a GABA, Guaranteed Annual Benefit Adjustment, bill that was actuarially sound. **REP. LEWIS** stated that we had a fully funded retirement system at this time. The adjustments to be made were:
(1) take the annual adjustment for PERS retirees to 3% per year,
(2) going to be able to go back to adjust retirement benefits for

those who retired prior to 1982, and (3) would be able to adjust the Teachers' Retirement System for those who had 25 years of service, to receive a minimum of \$600 per month. He added that page nine lists the things that would not be covered in this bill.

{Tape : 1; Side : B; Approx. Time Counter : 0}

Proponents' Testimony:

Mike O'Connor, MPEA, said there were 47,000 members that would be affected by this bill, with over 15,000 retirees and 30,000 active members. He stated that the biggest problem in retirement was the loss of purchasing power. **Mr. O'Connor** said this bill would increase the GABA up to the 3% from 1 ½%. He added that this bill would bring those individuals who retired long ago up to 75% of their purchasing power of when they retired. The system was presently in good financial shape to do this.

Stephen Kologi, Association of Montana Retired Public Employees, said they had given three suggestions to the interim committee dealing with this bill. The three suggestions were: (1) to increase the GABA from 1 1/2% to 3%, (2) do something for people who retired 20 years ago or more, and (3) to change the waiting period from three years to one year.

David Senn, Teacher Retirement Board, told the committee this bill would provide a minimum of \$600 per month to teachers retiring after 25 years of service with no increases in employee or employer contributions. It would also give the board authority to move the GABA benefits from 1 1/2% up to 3%.

Troy McGee, Chief of Police, supported this legislation.

Frank Cole, Police Officers Association, expressed full support for this bill.

Bob Pavlovich, Unified Firefighters Association, supported this bill.

Tom Bilodeau, MEA-MFT, EXHIBIT(sts51a01) explained the Guaranteed Annual Benefit Adjustment.

Tom Schneider, Montana Public Employees Association, told the committee there was a need for this bill. He asked the committee to support HB 294.

Glen Leavitt, Montana University System, supported this bill.

Bill Eiker, Lewis and Clark Retired Education System, EXHIBIT(sts51a02) supported this bill.

Diane Huber, Montana Retired Teachers/School Personnel Association, EXHIBIT(sts51a03) urged support.

Charlotte Thomas, Montana Retired Teachers and School Personnel Association EXHIBIT(sts51a04) urged passage.

Kathy McGowan, Montana Sheriffs and Peace Officers Association, urged support for this bill.

Natalie Fitzpatrick, Montana Retired teachers and School Personnel Association, EXHIBIT(sts51a05) supported this bill.

Don Walters, Retired Teachers Association, EXHIBIT(sts51a06) urged passage.

Terry Teichrow, PERS, told the committee that, previously, the board was not in the physical fiscal shape to be able to do this. He added that the board was now in good financial shape and asked for support in this bill.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. ELLIOTT told **Leo Berry** in the 1991 legislative session, the legislators were faced with changing the law for federal and state retirees. He added that there had been a 2.5% increase instituted, but had been declared unconstitutional. **SEN. ELLIOTT** asked **Mr. Berry** if that 2.5% increase had ever been instituted. **Mr. Berry** answered that prior to the Michigan vs. Davis case, the state retirement payments were not taxed; that the supreme court ruled that federal employees could not be taxed differently than state employees. He added that this had been a common way for states to attract and retain people in their systems. The state of Montana decided to tax the state retirees, but would grant a one-time 2 ½% increasing the benefits. **Mr. Berry** told the committee the legislature passed that bill. The federal retirees then sued and the district court ruled that the state could do that. He added that the federal employees then filed an appeal to the supreme court who struck down that 2 1/2% increase. **Mr. Berry** said the retirees ended up with their benefits being taxed and they also did not get the 2 1/2% increase.

Closing by Sponsor:

REP. DAVE LEWIS, HD 55 closed HB 294 by telling the committee that health insurance costs would continue to increase. He urged support for this bill.

EXECUTIVE ACTION ON HB 294

Motion/Vote: SEN. BOHLINGER moved that **HB 294 BE CONCURRED IN.**
Motion carried unanimously.

EXECUTIVE ACTION ON HB 281

Motion/Vote: SEN. EKEGREN moved that **HB 281 BE CONCURRED IN.**
Motion carried unanimously.

On March 7, **EXHIBIT(sts51a07)** a letter was presented from Bob Vogel in support of HB 294 to be included in the minutes.

ADJOURNMENT

Adjournment: 11:00 A.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB

EXHIBIT (sts51aad)